

FLOOR SCHEDULE FOR THURSDAY, MAY 9, 2013

HOUSE MEETS AT:	FIRST VOTE PREDICTED:	LAST VOTE PREDICTED:
9:00 a.m.: Legislative Business  Five "One Minutes" per side	10:30 – 11:00 a.m.	11:00 – 11:30 a.m.

**Complete Consideration of [H.R. 807](#) – “Pay China First Act” (Rep. McClintock – Ways and Means) (One Hour of Debate).** This bill would require the U.S. Treasury to continue to borrow once the statutory debt limit is reached – but only to pay the principal and interest on government debt held by the public and by the Social Security trust funds, not to pay other debts or legal obligations. Under the measure, the Treasury could not borrow above the federal debt limit for any other purpose than to pay selected holders of our debt, many of whom are outside of the U.S.; all other already-incurred bills would have to be paid by general revenues on a cash-flow basis, which would force Treasury to default on many of our other obligations. Obligations not guaranteed by the bill include pay for active-duty military, veterans benefits, Medicare and Medicaid payments, and payments to small businesses. The bill also requires the Treasury Department, until the debt ceiling has been raised, to submit a report each week to the Ways and Means and Senate Finance committees on the status of the debt and an accounting of new debt issued under this authority.

The Treasury makes 80 to 100 million payments per month. Both the Bipartisan Policy Center and the Council of Inspectors General on Financial Oversight, as well as the Treasury itself, have concluded that it would be simply impossible for them to pick and choose which bills get paid and which do not. In addition to being unfeasible, prioritizing which bills get paid would create uncertainty that could lead to investment dumping and panic by skittish investors that could drive up interest rates and slow growth. As JP Morgan Chief Economist Michael Feroli says, debt prioritization “would be like the financial market equivalent of that Hieronymus Bosch painting of hell.”

Despite renewed warnings of economists, Republicans are once again steering our nation towards a debt ceiling crisis like we experienced in the summer of 2011. That brinksmanship saw the Dow Jones Industrial Average plummet nearly 2000 points; the slowest job growth in 3 years; and created waves of uncertainty around the globe about our nation’s creditworthiness, culminating in the downgrade of the United States’ credit rating for the first time in history. This bill signals that Republicans are setting the stage for a repeat of that economic sabotage.

Instead of preparing for default, which is what this Republican bill does, we should be focusing on legislation that actually gets our nation on the right path. GOP Leadership should appoint budget conferees so that Democrats and Republicans can work together toward a big, balanced agreement on deficits that can replace the sequester and send a strong signal of certainty to the American people and the markets. **Members are urged to VOTE NO.**

The Rule makes in order 1 amendment, debatable for 10 minutes, equally divided between the offeror and an opponent. The amendment is:

**Rep. Camp Amendment.** Reiterates the prohibition on compensation for Members of Congress and clarifies language to require that the Secretary report to Congress any time the new authority is used.

**Bill Text for H.R. 807:**

[PDF Version](#)

**Background for H.R. 807:**

[House Report \(HTML Version\)](#)

[House Report \(PDF Version\)](#)



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## The Daily Quote

**"Peter Cook, Bloomberg TV:** 'Why is this legislation a good idea and what does it tell us about the possibility you're going to see that kind of confrontation?'

**Rep. John A. Boehner, Speaker of the House:** 'Well our goal here is to not default on our debt. Our goal here is to get ourselves on the sustainable path from a fiscal standpoint. I think doing a debt prioritization bill makes it clear to our bondholders that we're going to meet our obligations.'

**Cook:** 'Doesn't it mean, as Democrats have suggested, that you're basically choosing to pay China before you pay U.S. troops ?'

**Boehner:** 'Listen. Those who have loaned us money, like in any other proceeding, if you will, court proceeding, the bond holders usually get paid first. Same thing here.'"

- Bloomberg TV, 5/8/13